

# Retirement System Plan Comparison

	KPERS 1	KPERS 2	KPERS 3 (Cash Balance Plan)	KP&F	Judges
<b>Who's included</b>	New employees hired before July 1, 2009 Inactive members vested before July 1, 2009	New employees hired July 1, 2009, through December 31, 2014 Inactive members not vested on July 1, 2009, and return to employment through December 31, 2014 Former members who withdrew their accounts and begin employment on or after July 1, 2009, through December 31, 2014 Correctional Officers continue in KPERS 2, even after January 1, 2015	New employees starting January 1, 2015, and after Inactive KPERS 1 and KPERS 2 members who are not vested and return to work January 2015, and after Correctional Officers are not included, will continue in KPERS 2	<b>Tier I</b> - employed before July 1, 1989, and did not choose Tier II coverage <b>Tier II</b> - employed on or after July 1, 1989, or before July 1, 1989, and chose Tier II coverage.	Kansas Supreme Court justices, Kansas Court of Appeals and District Court judges, including district magistrate judges
<b>Employee contributions</b>	4% before 2014 5% 2014 6% 2015 and after Credited to employee's contribution account Employee can withdraw if leave employment	<b>6%</b> Credited to employee's contribution account Employee can withdraw if leave employment	<b>6%</b> Credited to employee's contribution account Employee can withdraw if leave employment	<b>7.15%</b>	<b>6%</b> <b>Drops to 2% when:</b> • age 65 and 20 years of service • enough service to receive the max benefit (70% final average salary)
<b>Retirement credits</b>	n/a	n/a	Employee earns retirement credits quarterly based on years of service: 1-4 yrs = <b>3%</b> of pay 5-11 yrs = <b>4%</b> 12-23 yrs = <b>5%</b> 24+ yrs = <b>6%</b>  Retirement credits represent dollars instead of years of service  Retirement credits are tracked in employee account and only available at retirement	n/a	n/a



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<b>Employer contributions</b>	<p>Employers make employer contributions based on the certified KPERS employer rate for each year.</p> <p>Contributions are a percentage of total KPERS-covered payroll, regardless of coverage group. Same rate for KPERS 1, KPERS 2 and KPERS 3 payroll.</p> <p>Employer contributions are deposited in the KPERS trust, not credited to any particular member account.</p>	<p>Employers make employer contributions based on the certified KPERS employer rate for each year.</p> <p>Contributions are a percentage of total KPERS-covered payroll, regardless of coverage group. Same rate for KPERS 1, KPERS 2 and KPERS 3 payroll.</p> <p>Employer contributions are deposited in the KPERS trust, not credited to any particular member account.</p>	<p>Employers make employer contributions based on the certified KPERS employer rate for each year.</p> <p>Contributions are a percentage of total KPERS-covered payroll, regardless of coverage group. Same rate for KPERS 1, KPERS 2 and KPERS 3 payroll.</p> <p>Employer contributions are deposited in the KPERS trust, not credited to any particular member account.</p>	<p>Employers make employer contributions based on the certified KP&amp;F employer rate for each year.</p> <p>Contributions are a percentage of total KP&amp;F-covered payroll, regardless of coverage group. Same rate for all KP&amp;F payroll.</p> <p>Employer contributions are deposited in the KPERS trust, not credited to any particular member account.</p>	<p>Employers make employer contributions based on the certified Judges employer rate for each year.</p> <p>Contributions are a percentage of total Judges-covered payroll, regardless of coverage group. Same rate for all judicial payroll.</p> <p>Employer contributions are deposited in the KPERS trust, not credited to any particular member account.</p>
<b>Investments</b>	KPERS directs investments as part of the KPERS trust	KPERS directs investments as part of the KPERS trust	KPERS directs investments as part of the KPERS trust	KPERS directs investments as part of the KPERS trust	KPERS directs investments as part of the KPERS trust
<b>Interest</b>	<p>Membership before July 1, 1993 – <b>8%</b></p> <p>Membership on or after July 1, 1993 – <b>4%</b></p> <p>Credited annually each June 30</p>	<p><b>4%</b></p> <p>Credited annually each June 30</p>	<p><b>Guaranteed: 4%</b> interest credited quarterly on employee's contribution account and the dollar value of the retirement credits</p> <p><b>Possible/Optional:</b> Additional interest (<b>0-4%</b>) based on a formula of KPERS investment returns and funding</p>	<p>Membership before July 1, 1993 – <b>8%</b></p> <p>Membership on or after July 1, 1993 – <b>4%</b></p> <p>Credited annually each June 30</p>	<p>Membership before July 1, 1993 – <b>8%</b></p> <p>Membership on or after July 1, 1993 – <b>4%</b></p> <p>Credited annually each June 30</p>
<b>Vesting</b> (when benefits guaranteed)	5 years	5 years Exception - Inactive Members	5 years	Tier I, 20 years Tier II, 15 years	When elected or appointed
<b>Leaving employment before retirement</b>	<p>Employees can withdraw employee contributions and interest</p> <p>Vested members can leave employee contributions and receive a benefit at retirement age</p>	<p>Employees can withdraw employee contributions and interest</p> <p>Vested members can leave employee contributions and receive a benefit at retirement age</p>	<p>Employees can withdraw employee contributions, <b>but forfeit retirement credits</b></p> <p>Vested members can leave employee contributions and receive a benefit at retirement age</p>	<p>Employees can withdraw employee contributions and interest</p> <p>Vested members can leave employee contributions and receive a benefit at retirement age</p>	<p>Employees can withdraw employee contributions and interest</p> <p>Vested members can leave employee contributions and receive a benefit at retirement age</p>

	KPERS 1	KPERS 2	KPERS 3 (Cash Balance Plan)	KP&F	Judges
<b>Retirement age</b>	<p><b>Full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 65 with 1 year of service</li> <li>• Age 62 with 10 years</li> <li>• Any age when: age + service = 85</li> </ul> <p><b>Early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years</li> <li>• KPERS 1 early reduction factors apply</li> </ul> <p><b>Correctional Group A full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 55 and employed in Group A position for 3 years immediately before retirement</li> <li>• Any age when: age + service = 85</li> </ul> <p><b>Correctional Group B full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 60 and employed in Group B position for 3 years immediately before retirement</li> <li>• Any age when: age + service = 85</li> </ul> <p><b>Correctional Group A early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 50 with 10 years and employed in Group A position for 3 years immediately before retirement</li> </ul> <p><b>Correctional Group B early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years and employed in Group B position for 3 years immediately before retirement</li> </ul>	<p><b>Full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 65 with 5 years of service</li> <li>• Age 60 with 30 years</li> </ul> <p><b>Early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years</li> <li>• KPERS 2 early reduction factors apply</li> </ul> <p><b>Correctional Group A full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years and employed in Group A position for 3 years immediately before retirement</li> </ul> <p><b>Correctional Group B full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 60 with 10 years and employed in Group B position for 3 years immediately before retirement</li> </ul> <p><b>Correctional Group A early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 50 with 10 years and employed in Group A position for 3 years immediately before retirement</li> </ul> <p><b>Correctional Group B early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years and employed in Group B position for 3 years immediately before retirement</li> </ul>	<p><b>Full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 65 with 5 years of service</li> <li>• Age 60 with 30 years</li> </ul> <p><b>Early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years</li> </ul>	<p><b>Full eligibility, Tier I</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 20 years of service</li> <li>• Any age with 32 years</li> </ul> <p><b>Tier I Transfer Members</b></p> <ul style="list-style-type: none"> <li>• Age 50 with 25 years</li> </ul> <p><b>Tier II (incl. Transfer Members)</b></p> <ul style="list-style-type: none"> <li>• Age 50 with 25 years</li> <li>• Age 55 with 20 years</li> <li>• Age 60 with 15 years</li> </ul> <p><b>Early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 50 with 20 years</li> </ul>	<p><b>Full eligibility</b></p> <ul style="list-style-type: none"> <li>• Age 65 with 1 year of service</li> <li>• Age 62 with 10 years</li> <li>• Any age when: age + service = 85</li> </ul> <p><b>Early eligibility, reduced</b></p> <ul style="list-style-type: none"> <li>• Age 55 with 10 years</li> </ul>

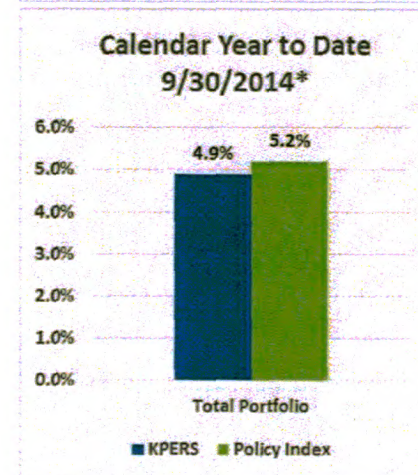
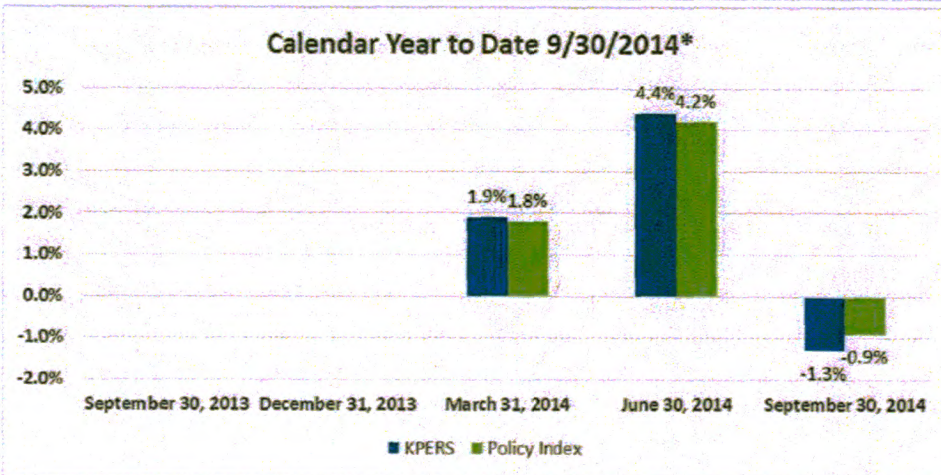
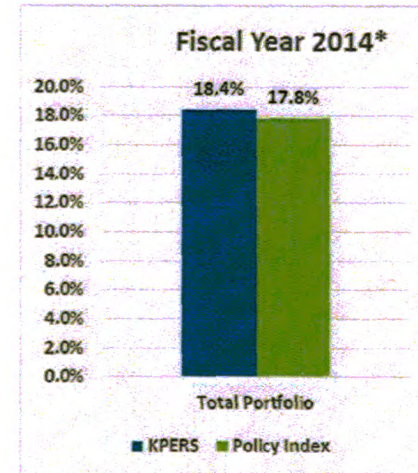
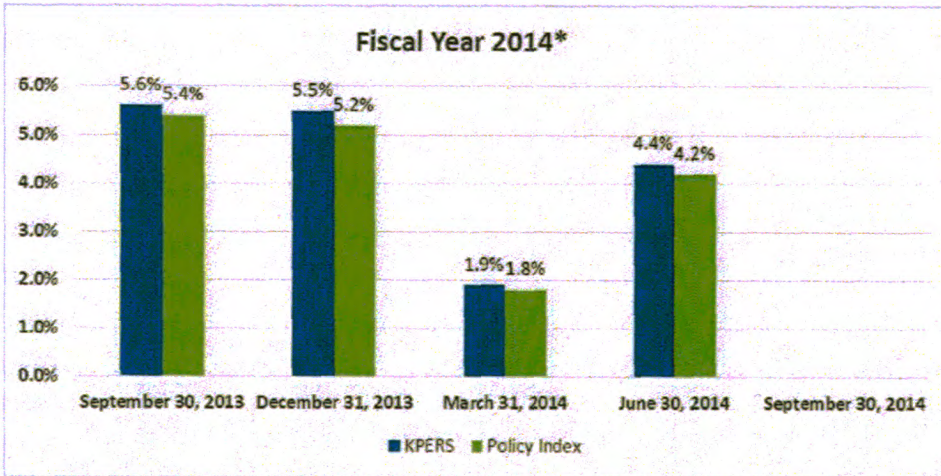
# Retirement System Plan Comparison

	KPERS 1	KPERS 2	KPERS 3 (Cash Balance Plan)	KP&F	Judges
<b>Retirement benefit</b>	<p>Guaranteed lifetime benefit with survivor options</p> <p>Benefit based on statutory benefit formula: Final average salary x multiplier* x years of service</p> <p>Partial-lump sum option 10%, 20%, 30%, 40%, 50%</p> <p>No automatic cost-of-living increase</p> <p>\$4,000 retiree death benefit</p> <p><i>*statutory multiplier: 1.75% for service before January 1, 2014; 1.85% for service January 1, 2014, and after</i></p>	<p>Guaranteed lifetime benefit with survivor options</p> <p>Benefit based on statutory benefit formula: Final average salary x multiplier* x years of service</p> <p>Partial-lump sum option 10%, 20%, 30%</p> <p>No automatic cost-of-living increase</p> <p>\$4,000 retiree death benefit</p> <p><i>*statutory multiplier: 1.85% for all service</i></p>	<p>Guaranteed lifetime benefit with survivor options</p> <p>Annuity benefit based on account balance at retirement</p> <p>Partial-lump sum option up to 30% with full retirement (not early)</p> <p>Can use part of account balance to fund a cost-of-living increase</p> <p>\$4,000 retiree death benefit</p>	<p>Guaranteed lifetime benefit with survivor options</p> <p>Benefit based on statutory benefit formula: Final average salary x multiplier* x years of service</p> <p>Max benefit = 90% of FAS</p> <p>Partial-lump sum option 10%, 20%, 30%, 40%, 50%</p> <p>No automatic cost-of-living increase</p> <p>\$4,000 retiree death benefit</p> <p><i>*statutory multiplier: 2.5%</i></p>	<p>Guaranteed lifetime benefit with survivor options</p> <p>Benefit based on statutory benefit formula: Final average salary x multiplier* x years of service</p> <p>Max benefit = 70% of FAS</p> <p>Partial-lump sum option 10%, 20%, 30%, 40%, 50%</p> <p>No automatic cost-of-living increase</p> <p>\$4,000 retiree death benefit</p> <p><i>*membership date January 1, 1987 and after has 3.5% statutory multiplier for all years of service; membership date before January 1, 1987 has 5% statutory multiplier for up to 10 years, then 3.5% for additional service over ten years</i></p>
<b>Final average salary</b>	<p><b>Membership before July 1, 1993</b></p> <ul style="list-style-type: none"> <li>3-year salary average without additional pay (e.g. unused sick leave or vacation)</li> <li>or 4-year salary average with additional pay</li> </ul> <p><b>Membership on or after July 1, 1993</b></p> <ul style="list-style-type: none"> <li>3-year salary average without additional pay</li> </ul> <p>15% salary cap</p>	<p>5-year salary average without additional pay</p> <p>7.5% salary cap</p>	n/a	<p><b>Membership before July 1, 1993</b></p> <p>average of 3 highest of last 5 years of service, with additional pay</p> <p><b>Membership on or after July 1, 1993</b></p> <p>average of 3 highest of last 5 years of service without additional pay</p>	<p><b>3 or more years of service</b></p> <p>average of the 3 highest of 10 years of service</p> <p><b>Less than 3 years of service</b></p> <p>average annual salary during time as a judge</p> <p><b>Less than 1 year of service</b></p> <p>monthly salary at retirement multiplied by 12</p>

<b>Historical Moratoriums on Employer Contributions</b> Death and Disability Fund	
<u>Year</u>	<u>Length of Moratorium</u>
2000	3 Months
2001	12 Months
2002	6 Months
2003	6 Months
2009	4 Months
2010	3 Months
2011	3 Months
2012	3 Months
2013	3 Months

## Kansas Public Employees Retirement System Investment Performance

FY 2014 and CYTD 2014



\* Total Return of Total Assets. Returns for periods less than 1 Year are not annualized



**Active Membership Changes by Group**  
CY 2006 - CY 2013

	State	School	Local	KP&F	Judges	Total
Starting Count (12/31/2006)	24,124	82,379	35,544	6,772	254	149,073
New actives	19,712	76,663	40,335	4,104	99	140,913
Nonvested Terminations	5,548	31,179	14,025	1,443	-	52,195
Elected Refund	4,341	10,634	8,979	790	4	24,748
Vested Terminations	4,158	13,260	7,256	503	12	25,189
Total Withdrawals	14,047	55,073	30,260	2,736	16	102,132
Deaths	322	629	464	56	7	1,478
Disabilities	588	807	539	184	-	2,118
Retirements	5,676	16,471	5,608	980	81	28,816
Other/Transfer	(86)	(310)	80	304	16	4
Ending Count (12/31/2013)	23,117	85,752	39,088	7,224	265	155,446
Change	(1,007)	3,373	3,544	452	11	6,373
% Change	-4.2%	4.1%	10.0%	6.7%	4.3%	4.3%



**Active Membership Changes by Year**  
CY 2006 - CY 2013

	2006	2007	2008	2009	2010	2011	2012	2013	Aggregate 2006-2013
<b>Starting Count</b>	149,073	151,449	153,804	156,073	160,831	157,919	155,054	156,053	149,073
<b>Additions</b>									
<b>New Active Members</b>									
State	2,169	2,316	2,282	3,623	2,478	2,099	2,472	2,273	19,712
School	11,094	11,013	10,601	7,071	7,974	8,717	10,298	9,895	76,663
Local	4,086	4,077	4,078	8,482	4,530	4,768	5,090	5,224	40,335
KP&F	639	527	453	298	514	535	574	564	4,104
Judges	10	11	7	17	3	12	15	24	99
<b>Total New Actives</b>	17,998	17,944	17,421	19,491	15,499	16,131	18,449	17,980	140,913
<b>Total Additions</b>	17,998	17,944	17,421	19,491	15,499	16,131	18,449	17,980	140,913
<b>Subtractions</b>									
<b>Withdrawals</b>									
State	1,671	1,492	1,271	1,313	1,978	2,171	2,044	2,107	14,047
School	7,043	7,028	6,918	6,736	7,091	6,621	6,661	6,975	55,073
Local	3,431	3,062	2,950	2,716	4,676	4,576	4,398	4,451	30,260
KP&F	359	309	308	315	356	396	376	317	2,736
Judges	2	2	-	4	3	2	2	1	16
<b>Total Withdrawals</b>	12,506	11,893	11,447	11,084	14,104	13,766	13,481	13,851	102,132
<b>Deaths</b>									
State	21	22	36	32	67	52	45	47	322
School	62	65	54	54	119	101	95	79	629
Local	50	35	45	45	61	71	79	78	464
KP&F	9	6	8	8	6	9	9	1	56
Judges	-	-	-	-	-	1	4	2	7
<b>Total Deaths</b>	142	128	143	139	253	234	232	207	1,478
<b>Retirements/Disability</b>									
State	628	634	613	605	789	1,691	494	810	6,264
School	1,973	1,964	1,960	1,984	2,409	2,229	2,268	2,491	17,278
Local	626	670	618	703	845	852	818	1,015	6,147
KP&F	116	109	118	152	155	176	145	193	1,164
Judges	5	10	8	18	2	9	12	17	81
<b>Total Retirements</b>	3,348	3,387	3,317	3,462	4,200	4,957	3,737	4,526	30,934
<b>Total Subtractions</b>	15,996	15,408	14,907	14,685	18,557	18,957	17,450	18,584	134,544
<b>Other/Transfer</b>	374	(181)	(245)	(48)	146	(39)	-	(3)	4
<b>Ending Count</b>	151,449	153,804	156,073	160,831	157,919	155,054	156,053	155,446	155,446
<b>Change</b>	2,376	2,355	2,269	4,758	(2,912)	(2,865)	999	(607)	6,373
<b>Percent Change</b>	1.6%	1.6%	1.5%	3.0%	-1.8%	-1.8%	0.6%	-0.4%	4.3%